

11 December 1975

FOR : Richard Lehman
3G00

FROM: Les Dirks

Attached is what I prepared for Carl Duckett based on various inputs. Note that the specific page comments are limited to factual corrections only. I have talked to Jim Taylor about the many editorial problems, and he said that there will be several more drafts before this paper is finalized and not to worry. I have also passed along to Jim all of the written comments I received so he has the advantage of your more substantial comments.

Thank you for your prompt assistance in this matter.

Factual Review of "Organization and Management of Intelligence Community"
Draft #2

What follows is a page by page listing of factual corrections to the 9 December draft paper entitled "Organization and Management of the Foreign Intelligence Community." (Draft #4). These corrections were compiled as a result of reviews by representatives of the four Deputy Directorates, the IC Staff, the DD for NIO's, the General Counsel, the Legislative Counsel, and the OIG. Also budget data was reviewed by the Comptroller's office. All of the draft paper needs editing. No attempt is made to note the many editorial corrections needed. No attempt is made to note the many editorial corrections needed. Also, although there are many disagreements with the judgments and conclusions contained in the draft paper, none of these corrections are intended to modify the substance of the draft.

Page 2 - The second paragraph lists "collectors of intelligence." The DD/S&T has a collection mission which is not included.

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Page 6 - The chart on this page attempts to display the relative fractions of the CIA budget and the various DoD budgets as allocated across five categories. This chart is a poor display in that the five categories are not comparable. The CIAP does not include an "intelligence related" category but does include other CIA unique categories for which there are no obvious DoD equivalents. Recommend deletion of this chart. If necessary a table can be included per the attached table and a similar but separate display for the DoD budgets.

Page 7 - The fractional allocations of resources to targets is wrong. About three-fourths, not two-fifths, of foreign intelligence assets are directed to the Communist world. It should be noted that these allocations are on a geographic basis.

Page 8 - The first line of page 8 lists areas of coverage which have contributed to an expanded definition of national intelligence. Scientific Intelligence is another key area which should be added to the list.

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Page 8 - The first paragraph implies that in considering the National Security Act of 1947, Congressional Committees were not aware that the CIA was intended to conduct clandestine collection. This is not true. In fact Congress was aware of this intention and knew that clandestine capabilities (the CIG) existed even at that time. It is also worth noting that since 1947 CIA activities have expanded to include technical collection and supporting R&D activities.

Page 12 - In the middle of the page, reference is made to instances of covert activities being conducted without the knowledge of "policymakers." This is not true. There have been instances where full staff coordination was not effected, but in no case where covert actions were carried forward without approval of top officials.

Page 14 - The top of page 14 states that congressional oversight has been limited to budget actions. This is not the case. Particularly, the House Armed Services CIA Subcommittee under Chairman Nedzi has been extremely active and has been kept carefully informed on a broad range of issues. In fact when the Director became aware of the several abuses and inappropriate activities of the past, he immediately informed appropriate congressional committee chairmen. In recent years the Senate has been less active than the House in regard to oversight and there have been problems with committee chairmen keeping various committee members appropriately informed. From the executive advantage point, there have not been the fundamental problems with the process.

Page 15 - The comment about Intelligence Community participation in the FR is inaccurate. During the early phases of SALT there was a problem where DIA was not directly involved and a senior Department of Defense official was representing both intelligence and defense positions. More recently, however, mechanisms have been developed which include all relevant intelligence organizations.

Page 17 - In the top paragraph it is noted that intelligence analysts need to be made promptly aware of policy decisions. Even more to the point, they need to know about actions that have been taken or are planning to be taken to which the other side could be or might be reacted.

Page 20 - Middle paragraph on page 20 states "compartmentation procedures artificially divide the intelligence data base ----." It is not procedures which are the problem, but rather the use of compartmentation to control access to data which causes the problem. This is particularly true outside the CIA.

Page 23 - Middle subparagraph notes that the DCI member is a member of IRAC. He is in fact the chairman of IRAC.

Page 23 - Historically the USIB was established to protect departmental equities. It is true that the USIB currently advises the DCI as described in the first subparagraph on this page.

Page 29 - Reference is made to "re-establishment of the GAO role." The GAO has never had a role with respect to Agency audit. GAO has performed a voucher audit, but has never been more broadly involved than that.

Page 33 - The Attorney General is not a formal member of the 40 Committee. As noted earlier on page 25, various past Attorney Generals have sat with the 40 Committee, but as individuals and not in their capacity as Attorney General.

Page 37 and Page 43 - Discussions of both Options 1 and 2 in several places note that the DGI would have control over all national intelligence resources. It should be noted that the GDIP does in fact contain resources, both collection and analysis, which pertain to national intelligence. In both options, the GDIP is not under DGI control.

Page 42 - The last paragraph states that this option would require "open budget procedures." This conclusion is not self-evident. There is no logical reason why the intelligence budget could not be classified, at least at some level.

Page 47 - There is [redacted] Deputy Secretary of State. Line 1 should read: Under Secretary of State and Deputy Secretary of Defense.

Page 54 - Option 3 is more appropriately named "the Defense Option" as opposed to the "Departmental Option" in that it provides for maximum Defense authority over the intelligence budget and leaves the DGI as essentially a staff officer to the President.

Page 70 - The second sentence on this page states that "Covert operations were originally placed within the CIA to accompany its clandestine collection capabilities." This is not correct. These capabilities were placed within CIA because of the flexibility provided by Section 102 of the National Security Act of 1947.

Page 72 - It should be noted that the provision of appropriate cover is essential to continued CIA operations.

Page 73 - The statements at the bottom of page 73 imply that OMB controls over appropriation, reprogramming, and budgetary transfers are the rule rather than the exception. This is not the case in that OMB does not have these authorities with respect to Defense appropriations.

As a general comment, clarity of presentation of the four options would be enhanced by including the appropriate table of organization with each option.

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